

Michigan Department of State Cost Estimates for Re-Issue of Plates

Assumptions:

- Only blue & white plates would be replaced for a total of 5,436,309.
- The new plate would be one color graphic.
- A minimum of 6,000,000 plates would need to be manufactured to allow for distribution to branch offices.
- The following plates would **not** be replaced: Great Lakes Splendor, Auto Centennial, Trailer, Fundraising, Veteran, Special Non-profit Organization, ARO and Historical.
- Registrations processed through Renewal By Mail (RBM), web, and phone is 28% = 1,522,166 (5,436,309 X .28)
- Additional new plates issued in branch offices = 3,914,143 (5,436,309 - 1,522,166)
- Additional storage may be needed for some branch offices and is not included in these costs.
- Programming would be needed to assign new plates for transactions processed through the web or phone. These costs also are not included.
- Plates cannot be issued through the Self Service Stations.

Costs:

- Postage for mailing 1 plate = \$1.29
- One color graphic plate = \$1.39 (per MSI)
- Additional workload in Renewal By Mail (RBM) for shrink wrapping/handling plates = .00688/plate
- Additional workload in branch offices for issuing new plates = 20 seconds/ plate
- Branch Office FTE costs = \$56,846.40/year
- RBM FTE costs = \$51,667.20/year
- \$250,000 (25 cents/plate) in additional costs to purchase sheeting for our annual order of about 1 million plates for new vehicles.

Renewal By Mail Costs for new plate issuance;

Plates: 1,522,166 X \$1.39 = \$2,115,810.74
Postage: 1,522,166 X \$1.29 = \$1,963,594.14
Handling: 1,522,166 X .00688 = 10,472.5 hours/1605 hours = 6.5 FTE.
6.5 FTE X \$51,667.20 = \$335,837
RBM Total Cost : \$4,415,241.88

Branch office costs for new plate issuance;

Plates: 4,477,834* X \$1.39 = \$6,224,189.26
Handling: 3,914,143 X 20 seconds/plate = 21,745.2 hours/1622 hours = 13.4 FTE
13.4 FTE X \$56,846.40 = \$761,741.76
Branch Office Total Cost: \$6,985,931.02

* Plates needed for branch offices includes the additional amount needed for proper distribution to branch offices.

Total one time cost: \$11,651,173

Annual ongoing cost: \$375,000

It will cost the Department of State an additional \$375,000 per year to replace the standard blue plate with a reflective plate. Each year the Department purchases 1.5 million blue plates for new vehicles and for replacements. Reflective plates cost 25 cents more per plate than the current technology. This annual purchase is funded by the MTF.